



Missouri Department of Natural Resources

MINUTES MISSOURI SOIL AND WATER DISTRICTS COMMISSION BIG LAKE STATE PARK CRAIG, MISSOURI June 15, 2006

COMMISSION MEMBERS PRESENT: Kathryn Braden, Elizabeth Brown, Richard Fordyce, Baughn Merideth

EX-OFFICIO MEMBERS: DEAN THOMAS PAYNE, UNIV. OF MISSOURI: David Baker

ADVISORY MEMBERS PRESENT: SOIL & WATER CONSERVATION PROGRAM: Sarah Fast; **NRCS:** Roger Hansen; **MASWCD:** Steve Oetting

STAFF MEMBERS PRESENT: Jim Boschert, Michelle Chadwick, Colleen Meredith, Theresa Mueller, James Plassmeyer, Ron Redden, Kevin Scherr, Judy Stinson, Ken Struempf, Chris Wieberg, Bill Wilson

OTHERS PRESENT: DISTRICTS: ANDREW: Katie Fields, Lynne Gilbert; **CALDWELL:** Wendy Bowen; Regena Curnow; John Richmond; **HOLT:** Bruce Biermann, Wayne Heck, Marilyn Roberts, Regina Young; **PUTNAM:** Britney Brundage, Joe Koenen; **STATE OF MISSOURI: ATTORNEY GENERAL'S OFFICE:** Todd Iveson; **OTHERS:** BIG LAKE STATE PARK: Gary Parker, ST. JOSEPH NEWS: Susan Mires; US FISH AND WILDLIFE SERVICES: Ron Bell; USDA-NRCS: Grover DePriest, Chris Rader, Lisa Thompson, Ridge Yates

A. CALL TO ORDER

Chairman Elizabeth Brown called the meeting to order at the Big Lake State Park in Craig, Missouri, at 9:03 a.m.

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B. REVIEW/EVALUATION

1. Land Assistance Section

a. Cost-Share

1. Monthly Cost-share Usage and Fund Status Report

Ron Redden reported that districts have been allocated approximately \$24,000,000 for use in the present fiscal year.

It was projected that \$20,000,000 of the allocated funds would be claimed during fiscal year 2006. The projection was based on amounts claimed in previous years in relation to the total allocations made available to the districts.

As of May 31, 2006, \$16,200,000 in claims had been processed, which was \$1,200,000 more than what was projected.

As of June 12, 2006, the program office had received \$17,300,000 in claims, which was more than the \$15,500,000 claimed for the same time last year.

2. State and Local Sales Tax Exemption for Field Drainage Tile

Ron Redden reported that the program had received a legal opinion from Richard Moore, the department's legal counsel, on the issue of the state and local sales tax exemption for field drain tile.

This issue was the result of a call that Sarah Fast received from Debbie Dickens who represents the Land Improvement Contractors Association (LICA). Ms. Dickens indicated that her members were not sure what the circumstances were for charging local sales tax on field drain tile. At that point, the program requested a clarification of the issue from the department legal staff. Ms. Dickens indicated that taxes charged by her members on the program's cost-share practices were not consistently being applied across the state. They felt that in some places, there was an exemption on local sales tax and in other places, it was being charged.

He pointed out that Senate Bill Number 355 which was signed into effect in August 2005, added field drain tile to a list of items exempt from local and state sales tax.

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The legal opinion received indicated that in addition to field drain tile, all necessary appurtenances for the tile to function properly should be considered "equipment" under the Sales Tax Law and should not be subject to state and local sales tax. Because the law exempts state and local sales tax from being paid on these types of materials, he indicated that if the landowner was charged, they should not be included in the reimbursable eligible costs under the state cost-share program.

Mr. Redden had asked Mr. Moore if other materials that were used exclusively for soil and water conservation practices would be exempt from the tax. According to Mr. Moore's response, other items such as pipe, fencing, seed, etc, should be considered farm equipment and would be exempt if they were exclusively used for farming purposes.

Mr. Redden stated staff would send a letter to LICA informing them what Mr. Moore's legal opinion was. He indicated that a memorandum would also be sent to the districts, and a reference would be made in the cost-share handbook.

b. Special Area Land Treatment (SALT)

1. Review of SALT Rules: SALT Cost-Share Partnering With Other Funding Sources

Ken Struempf presented an informational report on the review of the SALT Cost-Share partnering with other funding sources.

SALT rules state, SALT cost-share rates shall not exceed seventy-five percent of the actual approved costs of eligible practices or the incentive rates established by the commission for certain management practices which have proven to be effective to address agricultural nonpoint source pollution.

Landowners may obtain other sources of funding from federal, state, and/or private organizations in conjunction with receiving SALT cost-share in excess of the amount authorized by section (1). At no time shall the combination of SALT cost-share and funding from other sources exceed one hundred percent of the actual cost to the landowner.

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Mr. Struempf stated that in reviewing the SALT rules, staff allows districts with SALT projects flexibility to provide SALT cost share in conjunction with other funding sources. He stated the commission has the authority to limit the practices that the SALT rules apply to, but the commission has not limited the practices.

When offering landowners multiple funding sources, districts must make sure that all state SALT program policies are met for the practice. Mr. Struempf stated that policies for the programs vary with reimbursement procedures and different policy requirements for each particular practice. Next, he provided the commission with a reimbursement example.

He stated that when districts are providing joint cost share, staff must be able to verify how much funding the landowner received from other sources to verify the proper state payment in accordance with the SALT rules. He indicated staff would need to review all the receipts and expenses for the practice, and any reimbursements from collaborating agencies. Mr. Struempf stated that after meeting with Natural Resources Conservation Service (NRCS), this should not be a problem.

Mr. Struempf pointed out that during the tour of the Squaw Creek Agricultural Nonpoint Source (AgNPS) SALT Project in Holt County, the commission would see some structures in which the program provided 75 percent cost-share and US Fish and Wildlife Service provided an additional 15 percent cost-share. This allowed the landowner to receive up to 90 percent cost-share.

He stated that some districts are providing an additional 25 percent cost-share in conjunction with Environmental Quality Incentive Program (EQIP) for practices. Mr. Struempf proceeded to provide the commission with examples of funding.

Mr. Struempf stated that a number of districts were making multiple funding sources available to landowners in a SALT area. He stated that staff would send a memorandum out to the districts informing them that it was acceptable to use SALT funds in conjunction with other funds for SALT projects.

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C. REQUESTS

1. Land Assistance Section Cost-Share

a. Cost-Share

1. Monroe SWCD – Reconstruct Four Practices Damaged or Destroyed by a Tornado

Ron Redden presented a request from the Monroe Soil and Water Conservation District (SWCD) asking for funding assistance on four practices that had failed because of storm damage or water damage.

The commission's policy provides cost-share for reconstruction in counties where an Emergency Conservation Program (ECP) declaration has been made.

He stated that he had talked to the Field Service Agency Office and Monroe County was declared an ECP County. He pointed out that the commission requires ECP money to be used first.

Commission policy limits cost-share to practices that were damaged during the maintenance life and only for those components found necessary to meet NRCS technical standards. Other policies and procedures in the handbook apply to the reconstruction.

In a memorandum to the commission, the board's request included reconstruction of fence on two Water Impoundment Reservoirs that were damaged. One was completed in fiscal year (FY) 2002 and the other was completed in FY06. The board also requested reconstruction for a terrace system and waterway that were completed in FY06.

Mr. Redden informed the commission that after talking with the district, he found out that the landowners had already completed the terrace practice and waterway. Mr. Redden stated that in the past, the commission has limited cost-share for reconstruction to only those practices repaired after the commission had approved the board's request for cost-share. When Mr. Redden learned that the practices had been completed, he requested the board provide additional information that might explain why the landowner began work prior to approval.

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Mr. Redden pointed out that the district technical staff never saw the damage to the terraces. He was told that when district staff went out to do the certification on the practice, the landowner was not there and staff found the practice met standards. It was approximately one week after the visit that the landowner informed the district that he had put tile in for a second time. Because of this, there was no opportunity for NRCS to see what was needed. Regarding the waterway, the technicians did observe the damage and the landowner was informed of what needed to be done to return the waterway to standards.

Mr. Redden stated that commission policy limits cost-share to only those same components that were on the original application and only for those components technically necessary to bring the practice back to NRCS standards.

When asked if three of the practices could be verified that repairs were needed, Mr. Redden answered yes. When asked if the tile line was the only one not observed, Mr. Redden answered it was not observed by technical staff. The landowner indicated that some of the tile was washed out and he replaced it. Mr. Redden stated the landowner did not notify the district, and when staff went out to certify the practice complete, they were unaware that some of the tile had been put in for a second time. Sarah Fast stated this was difficult because of the tornado situation. Steve Oetting stated that as a landowner you have to make decisions to address things before they get worse, and he did not feel the landowner should be faulted for taking care of the situation.

Richard Fordyce made a motion to approve the board's request for all four practices. Baughn Merideth seconded the motion. When asked by the chair, Kathryn Braden, Richard Fordyce, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

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2. Caldwell SWCD – Increase the DSP-3 \$60.00 per acre and \$9,000 Maximum Cost-share Limits

Ron Redden presented a request from Caldwell SWCD asking that the commission's limits on the Planned Grazing Systems (DSP-3) be increased. He pointed out that there were copies of approximately 18-20 letters in support of Caldwell.

In a letter from Caldwell, they asked that the commission increase the per acre limit to \$120 and the practice limit to \$18,000. Mr. Redden pointed out that Caldwell and Camden were the only districts that indicated a certain amount. Camden requested that the amounts be \$90 per acre and \$15,000-practice limit (later it was noted that several districts had also indicated specific amounts).

Mr. Redden proceeded to review the reasoning behind the commission's four-consecutive year policy concerning the DSP-3. Before 1996, the DSP-3 was a pilot practice in a limited number of districts. In 1996, the commission made a rule change to exempt planned grazing systems from the excessive erosion requirement. Because of this exemption, it was developed as a demonstration practice and limitations were applied to the practice so that it met demonstration criteria. The commission felt the four-year limitation was necessary in order to qualify the DSP-3 as a demonstration practice and that after a four-year period the landowner should be able to realize both the economical, as well as the environmental benefits. It was the opinion of the Missouri Attorney General's Office to have an exception to the soil loss requirement and be considered a demonstration practice; the practice should have a limit and a specific time of completing the practice. There was an initial limit of \$6,000 but it was increased to \$9,000 in September 1998. This increase included component cost to construct a livestock-watering pond. Mr. Redden pointed out that the commission later increased the scope to include a well. The commission currently allows up to \$3,500 of the \$9,000 for either a well or livestock watering pond.

Mr. Redden indicated that he had reviewed the state averages for 2005. He stated the program cost-shared on approximately 280 DSP-3s, the average cost was \$6,150, the average cost per acre was

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\$66, the average cost-share per acre was \$35, and the average size was 93 acres.

Next, Mr. Redden provided the commission with an example of a practice that Caldwell provided cost-share on. The total cost of the claim was \$8,406, but only served 25 acres. The reason for the cost was that the landowner completed 2,100 feet of electric fence; on the worksheet, 90 hours were charged for his labor at \$24 to construct the fence and an additional 60 hours to construct 800 feet of woven wire fence, and over \$840 in labor to connect four waterers. The landowner received \$60 per acre where the actual cost was \$336 per acre. After reviewing the claim, Mr. Redden found that the primary reason for this being so high was the cost of labor.

Mr. Redden stated they work with Natural Resources Conservation Service (NRCS) on Environmental Quality Incentive Program (EQIP) contracts but do not combine on the same practices. While both programs offer practices to address grazing systems, the different programs provide different benefits. EQIP provides cost-share on lime, fertilizer, seedbed prep, cool season grasses at 50 percent and the state program provides cost-share at 75 percent on a DSP-3 but the landowner must use the DSP-2 or other practices for the nutrients. District and NRCS staff need to explain the benefits of each program to the landowner so he or she can decide which program best meets their need. He stated that landowners that have larger contracts typically use EQIP for grazing. The smaller contracts use the state program and then use EQIP in addition.

Mr. Redden stated the program office received several letters of support for Caldwell with different amounts.

Elizabeth Brown informed the commission that the Howard board met and endorsed an increase. She stated that Morris Davis endorsed their policy about landowners attending the grazing school. She stated he indicated that EQIP did not have that requirement. Kathryn Braden informed the commission that Wendy Bowen had received a letter of support from Taney County.

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Wendy Bowen, Caldwell SWCD, stated the DSP-3 was an important part of their Agricultural Nonpoint Source (AgNPS) Special Area Land Treatment (SALT). She informed the commission that their landowners would tell them that they could use EQIP. She indicated that they were only able to get two out of 30 approved through EQIP, one was animal waste system, and the other was a planned grazing system. She stated that if a landowner had 100 acres to do, they would only get \$6,000, but the cost to them is \$10,000 to \$12,000. She stated the entire state was concerned with the cost. When asked how many DSP-3s they had, Ms. Bowen answered six to eight. Ms. Bowen agreed that the school was necessary. Ms. Braden endorsed the school issue and an increase in the funding. Steve Oetting stated the commission needed to address grassland issues and the limits allowed needed to be addressed. He felt the grazing school needed to be stressed and that a supervisor from every district should attend. When asked if the grazing school was a requirement, the answer was yes. When asked how it was administered, Dave Baker stated it was a joint effort with the districts, the university, and NRCS.

Ms. Braden stated she would like staff to do some research and provide it to the commission at their next meeting. Sarah Fast stated the program could provide them with a range; however, the number for the current year would not be available until September. Mr. Redden stated that on the average, the program has met much of the needs of the landowner who wants to initiate rotational grazing. Ms. Braden stated the program has an average for the practices completed, but not the average for the systems that decided not to participate due to the cost. She wanted to know the high costs and the low cost. Ms. Fast stated the program would try to put together numbers for the August meeting. Mr. Baker stated that looking at the numbers it was a 50 percent average verses a 75 percent average. Mr. Redden stated that since the program's cost-share was based on 75 percent of the estimated cost or actual which ever is less, they would seldom see 75 percent cost-share on a practice unless it was completed at the estimated cost. If the state program provided \$20,000 to \$25,000 similar to EQIP, the districts could find themselves in the same situation they do with EQIP by only being able to fund 2-3 practices each year. Richard Fordyce supported what Mr. Redden said about not being

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at the 75 percent level due to the current economy. When asked what Caldwell's request would do for the landowners, Ms. Bowen answered it would help her give them an incentive to use their program. Mr. Fordyce agreed that something needed to be done to help the landowners. When asked what Camden County's request was, Mr. Redden answered their recommendation was \$90 per acre and a maximum of \$15,000. Ms. Fast stated that several of the letters had amounts listed; she offered to have staff develop a table of those amounts. Roger Hansen stated the rate had been in place for ten years, and with the inflation cost for that period, you could take the current amount and multiply it, you could add another 50 percent to get to the \$90 per acre and \$13,500 for a maximum. Ms. Braden stated she thought the commission should do that.

Richard Fordyce made a motion to increase the per acre limit to \$90 and the cap at \$13,500. Baughn Merideth seconded the motion.

Ms. Braden stated they were not taking into consideration all the landowners that were dropping out because of the expenses. She indicated she supported Caldwell's numbers. Mr. Redden stated that if you keep in mind that as a demonstration, it would provide the landowner with an opportunity to do some rotational grazing and then they would want to continue on their own. When asked if the four-year policy was still in effect, Mr. Redden answered the landowner has four years to expand the system.

When asked by the chair, Kathryn Braden, Richard Fordyce, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

Mr. Redden indicated that he would bring back to the August meeting a comprehensive list showing the specific amounts the districts requested the commission increase the limits to.

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b. Special Area Land Treatment (SALT)

1. Putnam SWCD - Request to Add Acres to Watershed Boundary

Colleen Meredith presented a request from the Putnam County SWCD requesting to add additional acres to an AgNPS SALT project.

The Blackbird Creek project was approved in the fourth call and as a seven-year project. The project is scheduled to end June 30, 2009.

The project area consists of hydrologic unit 10280201130001, which includes Lake Thunderhead Class 1, and Lake Mahoney Class 1, public drinking water supplies and the old city lake, Class 3. The project area also contains a portion of hydrologic unit 10280201030003 above US Highway 136. The total acreage in the project is 36,287.

She stated the district wanted to add the portion below the highway. This area contains 25,196 acres, with a small portion in Adair County. She stated that the district would formalize a memorandum of understanding with the Adair SWCD if the added acreage were approved. With this added area, the total acreage would be 61,483, which is similar in size to other AgNPS projects.

In the watershed, there are 114 farms in the lower area with an average of 221 acres per farm. These 144 farms are larger than those in the upper watershed are. The upper watershed is more urbanized. The land use is 11 percent cropland, 20 percent pasture, 51.4 pasture/grassland, 7 percent hayland, and 17 percent forested.

In the acreage, there are three hog confinement facilities; 4,948 acres that could benefit from vegetative enhancement with legumes and planned grazing systems; and 2,790 acres of cropland that could benefit from nutrient management, no-till, or establishment of permanent vegetative cover.

In the letter from the district, they stated that the AgNPS SALT would greatly assist in reducing sediment to the Blackbird Creek and its tributaries, and that the addition of these acres would help them to achieve their goals. Ms. Meredith stated that the district

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was struggling with their goals and were trying to be proactive in finding a way to keep their progress above the minimum required by the commission. They have had the least amount of success in pasture management and in nutrient/pest/and waste management within the existing AgNPS area. If the new area is added, progress toward goals would be counted using practices completed from this time forward and would not be retroactive.

The lower portion of the watershed has a 10.5-mile section of Blackbird Creek, which is on Missouri's list of impaired waters. The impairment is sediment from agricultural nonpoint sources. The other impaired segment is Willow Branch in the upper watershed. The impairment is unknown, but has indicators of reduced water quality such as increased filamentous algae, reduced oxygen, and a reduction in biodiversity, the presence of pollution tolerant species, and excess dissolved minerals.

Ms. Meredith pointed out that it was unlikely that the area the district wanted to add to their current project would be submitted for a SALT in future because it is not a complete watershed unit. When asked what year the project was in, Ms. Meredith answered the district had three years left. When asked if that was out of seven, Ms. Meredith answered yes.

Britney Brundage, SALT Manager, stated she had been working with several landowners in the northern part of the project. She indicated that they were struggling with their goals in that area because many of the landowners could not utilize some of the practices. She stated that when the project started they did not add the lower portion of the project area. Their main concern was Lake Mahoney being used as a water supply and the sedimentation into the lake rather than the rest of the watershed. She indicated that she has received interest from landowners because they hear that Blackbird Creek has money available, but she was not able to provide them with the money because that area was not in project area. She felt they could benefit both goal wise and improving the area by adding the remaining acres to Hydrologic Unit Code. Joe Koenen, from the board, stated that many of the landowners in the present project are non-agricultural. He felt that adding the lower portion would help with Blackbird Creek problems. When asked how many acres are suggest for a SALT, Ms. Meredith answered

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20, 000 – 60,000, and this project was 61,000. When asked why the district did not include those acres at the start, Mr. Koenen answered the district was encouraged to keep it within the drinking water supply area and not include the rest. When asked who suggested that, Mr. Koenen answered personnel at the Macon office. Sarah Fast added that Macon office was trying to work with the districts, and they were concerned about the drinking water.

Kathryn Braden made a motion to approve the request. Richard Fordyce seconded the motion. When asked by the chair, Kathryn Braden, Richard Fordyce, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

D. FOLLOW-UP

1. Stone Soil and Water Conservation District (SWCD)

Jim Boschert presented a follow up to the commission on Stone Soil and Water Conservation District prior to the supervisor appointments.

Per the motion at the last commission meeting, staff did request a check for one quarter of the district's allocation for the Stone SWCD. A check for \$11,000 was direct deposited into the district's account on June 5th. At the June 8th district board meeting the board discussed paying bills and developing a position description for the district manager position. The board has advertised for a district manager position and they hope to have someone hired in July. The board also discussed supervisor elections, although they have not developed any nominating committees at this time. The board terminated the current district staff and they are working on developing a letter to send to the previous staff with their final check.

At the board meeting, staff discussed the district finances with the board. Program staff talked to the board about possibly doing a budget revision. They also asked if there were additional state funds that they could receive this year. After a review of their records, Mr. Boschert stated they could receive an additional \$6,245.91 for their district assistance grants.

Mr. Boschert stated that with the current actions of the board, it appeared that the board was working to correct the previous issues and get the district up and running for the new fiscal year.

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Kathryn Braden made a motion to return Stone SWCD to regular status and release the appropriate funds. Richard Fordyce seconded. When asked by the chair, Kathryn Braden, Richard Fordyce, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

E. REQUESTS (Continued)

2. District Assistance Section

a. Supervisor Appointments

1. Stone SWCD

Jim Boschert presented a request from the Stone Soil and Water Conservation District to make appointments to the board.

In a letter from the board, they stated that in an effort to provide for the administrative guidance of Stone SWCD and to expedite normal operations of the district as quickly as possible, they submitted the following names for consideration. In the letter from the district, they requested that Myra McDonald be appointed to fill the term of George Cutbirth, Steve Wright fill the term of Don Chastain, and Bruce Salisbury fill the term of Kristi Stephens.

Kathryn Braden made a motion to approve the appointment of Myra McDonald to fill the term of George Cutbirth. Richard Fordyce seconded the motion. When asked by the chair, Kathryn Braden, Richard Fordyce, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

Kathryn Braden made a motion to approve the appointment of Steve Wright to fill the term of Don Chastain. Baughn Merideth seconded the motion. When asked by the chair, Kathryn Braden, Richard Fordyce, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

Baughn Merideth made a motion to approve the appointment of Bruce Salisbury to fill the term of Kristi Stephens. Kathryn Braden seconded the motion. When asked by the chair, Kathryn Braden, Richard Fordyce, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

When asked if the district was operating, Mr. Boschert answered yes. When asked when the elections would be held, Mr. Boschert

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answered there would have to be an election for Glen Jones and for the individual that filled Don Chastain's place. Mr. Boschert stated the board with George Cutbirth and Kristi Stephens they wanted the appointments to come for the new board members and let them develop the nominating committees. Once the nominating committee is developed they provide names to the board, then the election will be 60 days after that. Ms. Brown stated she hoped everyone understood that this was a difficult decision for the commission to make.

F. FOLLOW-UP (Continued)

1. New Requirements for Access to the USDA Network

Jim Boschert presented a follow up on the new requirements for access to the USDA network. At the last commission meeting, Roger Hansen reported that due to Homeland Security Legislation, all NRCS employees have been required to have background checks, which includes fingerprints for anyone who has access to USDA computer systems. In a letter, it stated that all conservation districts and other partner employees, who connect their computer to the USDA network, must have background investigations also. This includes partner employees who do not have Common Computing Environment (CCE) logins and use the connection only to access the Internet. Mr. Boschert stated that they had recently learned that a credit check was also part of this process.

In the letter dated June 5, 2006 from Roger Hansen, it stated that the cost for each investigation was \$103 plus any local cost of completing two fingerprint cards. Mr. Boschert informed the commission that they had received several calls related to how districts would pay for these expenses. Program staff e-mailed the districts on June 6th informing them on how the expenses related to the security check could be funded. The e-mail stated, "To allow the districts the maximum flexibility for funding these expenses the following grants can be used. They are the management services grant, the technical services grant, the administrative expenses grant, matching grant, and AgNPS administrative grant. SALT grant funds are only available for the AgNPS project manager."

Before the email was sent out, the program received several questions related to if there would be additional funds from the state to pay for these expenses. Since the email was sent out, only one district had contacted the program concerning the cost for the security checks. Both representatives from Missouri Association of Soil & Water Conservation Districts (MASWCD) and the employees association

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have contacted the program office concerning this cost. Their concerns were if additional state funds would be available to cover the expenses.

Mr. Boschert stated that for the current fiscal year, all funds had been allocated. The program would not know until after the fiscal year if all funds would be spent or not. At that time, it would be too late to claim these expenses. He pointed out that for next fiscal year the commission did have options available to them through their management of the district grants.

It is projected to cost approximately \$40,000 statewide for the background checks. This total was reached by taking 320 employees' times \$123, which is the amount of the investigation plus the fingerprinting cost. It was assumed that this was the maximum cost because not all employees would have to have the investigation done. Some districts might claim the expense from the current year if funds were available and the program has learned from NRCS and the districts that \$20 would be the maximum for fingerprinting.

The commission has two options available to them for funding these expenses for the districts next fiscal year. In May, the commission decided not to offer a second call for information/education projects until the results of the parks and soils sales tax vote was known. Last month it was reported that just under \$71,000 was unobligated in the information/education grant.

In addition, Mr. Boschert reminded the commission that in the past they have released additional matching grant funds after the January deadline had passed. The commission could reduce the funds released through the second matching grant call. Therefore, the commission could reduce the funds available in the information/education grant or the matching grant program to cover these expenses. By taking the amount of the background investigation from either of the grants it would reduce the amount available for a second call in the matching grant program or the information/education grant.

Roger Hansen stated this was example of a change in our society due to security. He reiterated that it was a requirement from the federal level. He informed the commission that NRCS was receiving questions from concerned employees. He stated that anything the commission could do to help financially would be appreciated. He reminded the commission that this would be an ongoing situation as districts change employees. He suggested that districts might want to wait a few months after hiring an employee to see if it works out. He also suggested that districts might want to look at if every district employee needed internet access, or email access. He indicated that in the future NRCS might want to look at

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combined billing instead of billing each district. One of the issues raised by district employees was the review of their social security numbers. Mr. Hansen stated if an employee did not release their number, they would be off the system. He informed the commission that it would be treated confidentially. He asked that one person in each area office to review the form for completion from high school to the present. Another issue was the credit check. The credit history is checked to insure that someone else has not assumed the employee's identity. He stated he appreciated people's understanding and patience.

When asked what amount was unobligated in the matching grant fund, Mr. Boschert answered they would not know that amount until after January. Mr. Boschert answered in the past years, there has been approximately \$200,000 to \$300,000 released. When asked if the amount unobligated in the information/education grant was set aside to add to another year, Mr. Boschert answered it would go back into the fund. Ms. Braden felt the commission owed the employees and districts some assistance since this was something not allocated in their budgets.

Kathryn Braden made a motion to take the expenses from the unobligated information/education grant for one time only. Richard Fordyce seconded the motion.

Mr. Fordyce asked if the applications were due in September. Mr. Hansen answered that if they are current employees the deadline was September 15th. When asked if they would be needed before that, Mr. Hansen answered yes. Ms. Braden stated she could modify her motion, to say to be allotted to the districts with their July 1st allotment. Sarah Fast answered it would be part of their regular reimbursement.

When asked if Ms. Braden would modify her amendment, she indicated yes. Ms. Fast stated that was how the program was proposing to do it. When asked if her motion was for the use of the information/education grant, Ms. Braden answered yes. When asked about the matching grant, Ms. Braden answered they both would go back into the fund. When asked if the information/education grant funds were enough to cover, Ms. Braden answered that it was. When asked where the funds would come from in the future, Ms. Braden stated her motion was for one time only and that would give the districts time to figure out how to pay for future checks. Mr. Fordyce asked if there was any way to make the application less, Mr. Hansen answered the fees were established by OPM. When asked about the number of pages, Mr. Hansen answered that in the future they were hoping for it to be electronic. When asked if there were updates after the

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initial application, Mr. Hansen answered that it was currently a one-time process. Steve Oetting stated the districts would appreciate any financial assistance in getting the application process done, because it was an unbudgeted expense. One of the questions that he had received was if you could fail. Mr. Hansen answered yes. Mr. Oetting asked if you failed what obligation the districts had to retain that employee. Another question was what if an employee refused to fill out the application; would that be grounds for dismissal? Another question was if the employee could not use the email, etc. would it change their job description to the point where they might not be able to do their job. Mr. Oetting stated these were questions that were going to need to be answered. He informed the commission that he supported it. Mr. Hansen stated that when the background check is completed they would receive a response back in their office indicating if the employee passed. If they fail, it will indicate why the employee failed. He indicated that regardless of the information received, it would need to be shared with the district and the employee. Mr. Hansen stated that if the employee did not pass, they would immediately terminate their access to the computer. Ms. Braden stated this would immediately have to go into personnel policy as part of the job description, and then it would have to be up to the district supervisors to decide if an employee did not pass, did the district want to keep them on as an employee even though they could not access the computer. When asked if there was an appeal process, Mr. Hansen answered if you take adverse action against the employee then there would be appeal rights for federal employees, but for districts it would be based on district personnel process. Wendy Bowen stated that due to the jobs that employees do in the districts, there was no choice.

When asked by the chair, Kathryn Braden, Richard Fordyce, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously

G. REPORTS

1. NRCS

Roger Hansen provided a follow up to the appeal heard at the last meeting regarding Jack Farnsworth. He was the landowner that was building a pond. He had received several extensions, but the pond was not complete. Mr. Hansen stated that on May 30th, the NRCS engineer went out to the site and found the pipe to be three feet too low. When the pipe was removed, it was broken in a couple of places. The centerline of the dam was not in the right place. The dam had to be moved up. He indicated that they marked everything that needed to be done to bring the pond up to specifications. Mr. Hansen stated the landowner had rented a bulldozer and was building his first dam. On June 7th and 13th, NRCS

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went out to the site. As of June 13th, the pipe had been reinstalled, there was more dirt on the dam, and he still had to put two foot of fill on top of the dam. The landowner would then need to fence the dam, put in the water tank, and seed it. Mr. Hansen indicated that a check would be done of the site on June 20th and a report would be provided to the district.

Next Mr. Hansen reported that their Conservation Security Program (CSP) Spring Watershed in the southwest part of the state had 360 farmers accepted into the program out of approximately 600 signed up. The total payment for those farmers in FY06 will be \$2,800,000. Over the life of their contracts, the total will be \$20,000,000. The CSP program is the largest federal financial assistance program that Mr. Hansen administers in Missouri.

2. MASWCD

Steve Oetting reported that on June 20, 2006, the Citizens' Committee would have a campaign kickoff for the soils and parks tax. The kickoff will be held in Jefferson City, in the morning. He reported the association would participate.

The next meeting for the association is scheduled to be a joint meeting with the commission on August 10, 2006.

Sarah Fast stated that Chairman Brown was planning to attend the kickoff meeting.

3. Department of Natural Resources

a. Overview of Big Lake State Park and Division of State Parks Usage of Parks Side of the Tax

Gary Parker presented information on the Big Lake State Park. He stated the lake was a natural oxbow formed by the Missouri River. The park was a popular place since the early 1900's for recreation. The park was acquired in 1932, and is one of the oldest. The area became a park due to a petition of local residents who wanted a state park in Holt County. Mr. Parker indicated that the park normally has approximately 225,000 visitors per year.

Mr. Parker informed the commission that they were very dependent on the state's parks and soils sales tax to operate the facility. He pointed out that the park's system was considered one of the best in the nation. He indicated that it was due to the tax. The park's system was established in

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1917 by legislature. Mr. Parker continued to cover the park system and the use of the tax. He stated that to ensure that the public is involved, each year the parks are required to have a public meeting for input from the citizens of the area. He continued to cover some of the benefits of the improvements due to the tax. He informed the commission of partnerships developed to support projects in the parks. He stated that due to the tax, the park system has been able to acquire and open several new state parks and historic sites. Mr. Parker stated that with a secure source of funding the parks are able to maintain and improve the level of services to visitors.

Kathryn Braden stated that 75 percent of the funding for the parks comes from the sales tax, and the other 25 percent came from fees and lodging in the park. Mr. Parker stated that amount is what the park generates. He informed the commission there were many parks that did not generate any funds. When asked how the funds were divided among the parks, Mr. Parker answered that it was very complicated. Each park manager submits an annual budget request, the request is reviewed approximately six times, and it is finally reviewed and approved by the legislature.

4. University of Missouri

Dave Baker reported that an extension specialist had been appointed to serve as the Monroe County secretary.

He stated that Missouri University Extension was finalizing the search for a new Director of Extension. The four candidates will be interviewed between July 6th and 19th.

He reported that the university would be holding its first North Central Grass Based Dairy Conference from July 6th to July 8th, at Mt. Vernon

5. Holt County

Bill Wilson proceeded to introduce Bruce Biermann, the Chairman of the Holt County SWCD. Mr. Wilson thanked Mr. Biermann, and staff from Holt SWCD and NRCS for their assistance with planning and preparation for the tour and meeting.

Mr. Biermann welcomed the commission and others to Holt County. Next, Mr. Bierman introduced staff from the district, NRCS and United States Fish and

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Wildlife to provide background on the Holt County Soil and Water Conservation Districts.

Ron Bell from the United States Fish and Wildlife Services reviewed background and details regarding the Squaw Creek Refuge.

Lisa Thompson from NRCS, provided the commission with information on the soils of Holt SWCD. Ridge Yates from NRCS, spoke on the partners involved and results of the projects constructed in the Squaw Creek Watershed Project. Grover DePriest from NRCS, continued to present information on the Squaw Creek Watershed. He also presented statistics before and after the watershed was implemented.

Next Regina Young from Holt SWCD, presented an overview the staff at the district office, along with their conservation partners. In addition, Ms. Young also presented some information to the commission regarding the outreach that they had done in their district. One of their outreach projects is the Atchison/Holt Water Festival. This is used to help their students on their MAP test. She reported that Holt County has a web site with over 800 hits. She continued to provide information on the web site. She proceeded to provide information on other outreach activities.

Marilyn Roberts from Holt SWCD, concluded the presentation by providing some additional information on the Squaw Creek AgNPS Watershed.

Elizabeth Brown introduced Todd Iveson from the Attorney General's Office who was filling in for Tim Duggan.

Bill Wilson updated the commission on the tour of the SALT project that took place that afternoon.

H. DATE OF NEXT MEETINGS

The date of the next commission meeting was set for Thursday, August 10, 2006, at the DNR Conference Center, located at 1738 E. Elm Street in Jefferson City, Missouri.

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I. ADJOURNMENT

Richard Fordyce made a motion that the meeting be adjourned. Kathryn Braden seconded the motion. Motion approved by consensus at 12:40 pm.

Respectfully submitted,

Sarah E. Fast, Director
Soil and Water Conservation Program

Approved by:

Elizabeth Brown, Chairman
Missouri Soil & Water Districts Commission

/tm